

MINUTES OF THE CITY COUNCIL
CITY OF AUSTIN, TEXAS
Special Called Council Meeting
September 4, 1979
5:30 P.M.
Council Chambers
301 West Second Street

The meeting was called to order with Mayor McClellan presiding.

Roll Call:

Present: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Mullen, Goodman, Snell, Trevino, Himmelblau

Absent: None

Mayor McClellan opened the meeting scheduled for 5:30 P.M., stating that it would be a Public Hearing on the Proposed 1979-80 Operating Budget. She stated that the City Manager, as required by Charter, has submitted the proposed budget to the Council; it is a \$351,200,000 budget. She said that she usually refers to it "as a budget that has everything cut out and a 10¢ tax increase".

Daron Butler, Budget Director, asked that certain items be recorded in the official minutes, as required by State law, the City Charter or Municipal Ordinance. They are as follows.

"1. The proposal to increase the property tax from 68¢ per hundred dollars assessed valuation to 78¢ per hundred dollars assessed valuation for the purpose of operating municipal services in the general fund.

2. The Operating Budget includes a 50¢ per month fee increase in sanitation fees, which would increase that fee from \$3.50 per month to \$4.00 per month. Ordinance requires that we mention this at the Public Hearing and this is continuation of your policy to keep the sanitation services on a self supporting basis.

3. The budget is also premised on a increase in water and waste-water fees and revenues - the first increase in these fees since February, 1976, that would generate a total of 16% more revenue than currently generated under the existing rate structure.

4. An increase in Electric revenues of 8.8% from the rate structure is also proposed and programed into the revenue estimates in the 1979-80 budget.

5. The budget document also has revenue estimates and fee projections based on changes in hospital fees, recreation fees, such as golf fees, fees for subdivisions and zoning and other items for which the Municipal Government traditionally collects operating revenue. Importantly, in 79-80, the City will generate about 5.2 million dollars in federal revenue sharing money, both as a direct grant from the Federal Government and also from the investment in these funds. For the next year, we propose to use 4.6 million dollars of this 5.2 million for the operations of Municipal Government and particularly in support of general fund activities, such as police, fire, health, other public safety endeavors, administrative services and like matters. \$532,000 in general revenue sharing money is recommended to fund a building maintenance fund which would allow the City Council and management on a programatic basis, to maintain and upgrade Municipal facilities and prevent the deterioration. The budget also contains a proposal to allocate \$100,000 in general revenue sharing money to the continued renovation of Paramount Theatre."

ELECTRIC UTILITY COMMISSION - MINORITY REPORT

Peck Young appeared before the Council on the behalf of a minority of the City Electric Utility Commission, consisting of himself and Shudde Fath, to present a minority report. He said, "We need to keep clearly in mind that this utility is not a private enterprise, but a public service which the City provides just as it provides police and fire protection. Also, electric utilities prime responsibility is to provide its owners, the citizens of Austin, plentiful and reliable electrical energy as inexpensively as possible."

A bill requiring competitive bids for the State of Texas, related Mr. Young, was nearly passed into law by the last legislative session. One of the strongest arguments put forth by proponents of the bill was the magnitude of Austin's transfer to the General Fund. Now, the City is contemplating increasing the transfer and strengthening the hand of proponents of competitive bids.

Mr. Young and Mrs. Fath recommend the following:

1. They endorse the recommendation of the Commission of a \$1,000,000 cut in operation and maintenance budget of the City Utility.
2. They recommend a cut of 5.1 million dollars in the sum transferred from the Electric Utilities budget to the General Fund.
3. They recommend a \$1,000,000 cut in the transfer to the Capital Program, basically because it is a retained earnings account and they believe that this year we can afford to retain fewer earnings.
4. They recommend an overall cut of approximately \$7,000,000 in the required increase in the Electric Utility budget and a rate increase of not 8.8%, but approximately 4.5%.

COMMUNITY DEVELOPMENT COMMISSION

Elliott Naishtat, Chairperson of the CDC, addressed the Council regarding the proposed budget and a couple of concerns which the Commission has - specifically in reference to General Revenue Sharing Funds. He said that in the budget under Requirements - Transfers to CIP there is no money listed, under Budget 79-80. The reason for the Commission's concern is that they had earlier requested funding for several projects which had not received funding out of the Housing and Community Development Block Grant Program. In particular, the projects to which Mr. Naishtat referred are as follows: St. John's Public Health Center; Clarksville Public Health Center; the Montopolis Neighborhood Center and the Rosewood Neighborhood Center.

Mr. Naishtat inquired as to where the Council will get the funds for these programs, assuming that they are in fact funded, if it is not indicated in the proposed budget that General Revenue Sharing Funds will be transferred to the CIP?

City Manager, Dan Davidson, replied that Mr. Naishtat has raised some good points and is correct in stating that the GRS money can not be used in both places. The manager said that he will assist the Council in identifying the options available to fund those Capital Improvements as a part of the 5-year CIP, specifically for the next fiscal year.

RENEWABLE ENERGY RESOURCES COMMISSION

RAY REECE, Chairperson, appeared on the behalf of the Renewable Energy Resources Commission to request funding for professional staff support. He said that in discussions he has had since the Commission's initial presentation to the Council regarding both of their proposals - goals and strategies which included ten different programs regarding Renewable Resources Development in Austin and the second proposal regarding the development of a Model Energy Development District in the downtown area, he has occasion to meet with officials and others and has received very enthusiastic response.

DENTAL HEALTH ADVISORY COMMITTEE

DR. ED WHITE, Chairperson of the Committee, recommended to the Council that an additional \$25,000 be appropriated as a "catch-up" fund for dental health for the indigent. He said that the manager and facility are available to provide the care needed.

Mayor McClellan inquired as to whether in a list of priorities, would this request be considered before some of the other recommendations of the committee?

Dr. White replied that it is a very difficult decision to make. Monies have been allocated in the present budget to take care of denture patients, but the back log is so great and the hard expense is greater than in a lot of other procedures; subsequently, they cannot come close to keeping up with the demand. The request for \$25,000 additional monies would go into strictly denture and partial denture programs.

AUSTIN RETIREES COORDINATING BOARD

A representative of the Austin Retirees Coordinating Board, Mr. Ersell C. Duke, addressed the Council regarding the interest and welfare of retired persons. On behalf of Austin's senior citizens, Mr. Duke urged the Council to pass an ordinance exempting \$20,000 market value from homeowners aged 65 and older who own homes in the City for the current year.

AUSTIN ACORN EXECUTIVE BOARD

MR. JACK JACKSON, representing the Austin Acorn Executive Board, spoke to the Council in opposition to the raising of property taxes, as well as both the electric utility and water rates. He said there is enough in the proposed budget in the form of mistakes, intentional padding and unneeded programs to make the proposed rate hikes and tax increase unnecessary. He said they found almost \$15,000,000 either tucked away in corners or overlooked.

Mr. Jackson cited a "huge bond redemption fund, averaging from \$38,000,000 to \$40,000,000 is shown as earning no interest at all, while a much smaller fund...earns about 11.6% interest. If this is merely an oversight and the \$40,000,000 fund is actually earning interest, we calculate that this underestimates the City's income by nearly 4-1/2 million. If the fund is not earning interest, we calculate that the City will lose 4-1/2 million in revenue that it should get."

Continuing, Mr. Jackson cited another portion of the proposed budget which stated that the "property tax yield is calculated using this years valuation, instead of using the inflated values that will actually exist in 79-80. We estimate that this understates the City's income by another \$5,000,000."

Quoting the City Manager's letter, Mr. Jackson said that where more than 4 or 5.4 million was set aside as an ending balance surplus "to meet any unforeseen emergency" there is no justification for a property tax increase or a utility rate hike to build up a huge surplus.

Mr. Jackson continued, "Acorn is opposed in principal to using electric utility and water rates as a hidden tax - a tax on basic necessity, like utilities, is the worst possible kind of tax for low and moderate income people who make the majority of the City's population."

Mayor McClellan commented that the fund balance fipped down to a few hundred thousand dollars a few years ago and bond ratings starting dipping down as well. She said that this Council has a goal to build up the fund balance, in the event of emergencies and also to protect our credit ratings, otherwise it will cost us millions more in interest on the bonds.

UNIVERSITY NEIGHBORHOODS

CHARLOTTE MITCHELL, representing the West Campus Neighborhood Improvement Committee and also SAVE University Neighborhoods, said that the priority goal for the organizations this year is parking and traffic control, including pedestrian and bike traffic in the neighborhood.

Ms. Mitchell cited several requests, as follows: an increase in meter aides; the systematic use of wheel locks and as alternative to towing; enforcement of all traffic laws; priority area for sidewalk improvements and improved alley maintenance and/or a paving program. She said that additional meter aides and traffic enforcement are immediate needs and should be budgeted; also, as much help as possible should be provided on the other needs, as soon as possible. She asked the Council to respond to the requests.

Mayor McClellan responded that her requests were valid needs but that the purpose of the meeting was for public hearings, rather than decision making.

EMS QUALITY ASSURANCE TEAM

DR. ROY LEAMON, Chairperson, EMS, Quality Assurance Team, addressed the Council making three requests, as follows: They recommend the tiered system, which should save the City some money in the long-run; a high percentage of increase in the budget for direct services to the public (two new ambulances and more staffing) and rate increases for ambulance transfers (\$5 raise).

SENIOR LUNCHEON PROGRAM

CHARLES CALDWELL, representing the Senior Luncheon Program Advisory Board, appealed to the Council for funds totalling \$62,000 to renovate and build a new kitchen to be located at Waterloo Center, in order to reach and serve more citizens in the Austin-Travis County area.

AUSTIN RETIRED TEACHERS ASSOCIATION

E.L. GALLION, President, Austin Retired Teachers Association, as well as the Austin Chapter of the National Association of Mature People appealed to the Council in interest of the Homestead exemption. He asked to allow \$20,000 tax exemption on market value, this matching that of the AISD.

PARAMOUNT THEATRE

As representative of the Paramount Theatre, John Vernadoni asked that the City consider the funding of the entire lighting and sound system for the backstage of the theatre, along with some stage draperies, rigging work, etc. at a cost of \$200,000. Because of the inflationary rate of equipment, he asked if at all possible to receive the entire funding in one year. If that is impossible, he requested that the City provide \$140,000 this year and \$60,000 next year.

COMPENSATION FOR COUNCILMEMBERS

BARBARA VACKERS addressed the Council regarding an increase in pay for Councilmembers. She said that it is time that we looked at Austin from the standpoint of big business. She said that the citizens need to talk directly with Councilmembers, as they are the ones who ultimately make the decisions.

She asked that they look a little beyond their own present situation. She stated that many people who are otherwise qualified cannot afford to run for office.

AFSCME

BEN SERICK, representing AFSCME, presented several proposals regarding municipal employees to the Council, as follows: (1) increase in cost of living pay; (2) merit increase; (3) dental care insurance; (4) longevity pay; (5) retention and upgrading of safety and training programs, and (6) wider availability of uniforms, where it can be demonstrated that there is a need, as well as to provide women's uniforms to women, he said that AFSCME will withdraw its request that dental care be adopted this year, although they do request that the City look into the possibility.

HORACE RAY BARNES, of PARD, spoke to two issues - the cost of living increase and the merit raise policy of the City. He said the cost of living has increased at a projected rate of 13-1/3% this first half of this year. In addition, the rate of increase for necessities had been in excess of 18%. He said that the manater's increase proposal does not in fact represent a 9% increase for the whold of the year - it actually represents an increase of 7.3%. He said that AFSCME is requesting a 9 to 9-1/2% increase in the cost of living, which is more in keeping with the actual inflationary increase in the land.

Secondly, Mr. Barnes addressed the Council regarding senior employees who are frozen out of merit raises. He said that they should not be penalized for being proven and dedicated; thus, he requested that the City adopt a policy that would take senior employees out of their frozen status.

The second phase of AFSCME's merit pay proposal is that on an anniversary date, any employee who is not on probation would receive a 4\$ merit increase.

Next, Stewart Hirsch, an employee of the Building Inspection Department, spoke to the issue of proper supervision and concern for employees by management.

JIM PEAR, President of AFSCME and another employee of PARD, discussed cost effectiveness and energy conservation proposals, which he said would save the City money and make operations more efficient. He suggested that the City take such action as turning off air-conditioning in City vehicles, painting all City vehicles white, equipping City vehicles with gas improving gasoline accounting methods, installing two-way radios to eliminate travel and designating areas of the City for depositing wood and compost.

THE FOLLOWING PERSONS SPOKE TO A NUMBER OF ISSUES

GUS GARCIS, former member of the School Board, suggested that Councilmembers be paid no less than \$20,000 per year with car expense. He said that the compensation paid to Councilmembers should be reflective of the pride we feel for them.

MARILYN SIMPSON, President of the Austin Neighborhood Council, spoke to the Council regarding the alarming cost of City documents and budgets for citizen groups. She suggested citizen copies of documents could be printed on newsprint and made free to citizen groups.

NORMAN BROWM noted that being a Councilmember is virtually a full time job and that salaries should be commensurate with the work load. He also expressed fear that many persons are prevented from running for Council, because they can't afford the financial sacrifice that being a Councilmember would entail.

WILLIE MAE KIRK spoke in accord with several others who encouraged an increase in Council pay, thus making the position more available to more citizens.

MIKE VAN BLARICOM, President of the Austin Firefighters Association, asked that the Council restore the crash-fire levels at the Airport to the 1978 levels. He said that passenger activity has increased by 112% and inflamed cargo has increased by 69% in the past four year period. While airport personnel was increased by a considerable percentage, the size of the crash fire rescue unit was reduced by 24%.

Mr. Van Blaricom said that two factors need to be pointed out - The various airlines absorb the cost of services; thus, the City of Austin incurs no expense for crash-fire rescue units. Secondly, crash-fire rescue is a net flow thru cost service whereby the airlines agree to absorb only the actual cost; hence, the airports assertion that a crash-fire rescue reduction, equivalent to an airport profit, contradicts the airlines claim that crash-fire rescue is a net flow thru cost service from which the airport is not entitled to generate a surplus capital improvements.

He urged the City to reinstate six personnel, as soon as possible.

Mayor Pro Tem Cooke asked for a response from City Manager, Dan Davidson, regarding the operation of units as presented by Mr. Van Blaricom versus being able to evacuate and then save the aircraft.

The City Manager replied that the situation had been discussed with Mr. Van Blaricom and the staff is preparing a report as to how the City intends to adequately man the units for the next fiscal year. The City Manager said that who pays for cost is dependent upon how much is loaded on the airlines.

Chief Kirkham addressed the question stating that he would never advocate operating a unit with one man, which often happens. He said that when this budget is adopted and the fire department is authorized the strength proposed, some over-hire authority, that the manning level can be increased. He said there is no way the situation could be remedied before March, 1980, because the department doesn't have the people.

In direct answer to the question raised by the Mayor Pro Tem, the Chief stated that there is no proposal in this budget as far as an increased charge to the aviation department. He suggests however, that part of the next graduating class in March be assigned to the airport.

Mayor Pro Tem restated his original question - "Simply because of the number of people you have, that those people are going to have to try to put the fire out on the fuselage before they try to rescue people and that is the contention that we are trying to get a clarification on - simply, from your operational expertise, Chief, are they going to try to put the fire out because they don't have enough people to try and get the people out, before they try to do anything with the fire?"

The Chief replied that in a major commercial carrier that contention would probably be true. Traditionally, firemen are not trained this way; but, most airports are manned in such a way that this does happen.

HARRY NOLEN, former Councilmember and representative of the "older people", appeared to protest raises for any City employees, with the exception of Councilmembers.

CLARENCE F. NIEBUHR, President of the Retirees Chapter of the Texas Public Employees Association, appeared to request that the Council give every consideration to keeping the taxes down.

JIM COWSER, spoke to the issue of increased fees in City swimming pools. He said that proportionately the proposed increase is as large as in any City department and that there has been a 200% increase in the past five years.

LYLE HAMNER spoke in behalf of older citizens on fixed incomes who can not afford to pay additional taxes asking the Council to freeze those taxes.

MARY ALICE BROWN, Vice President of the Austin Neighborhood Council, requested that the Council grant additional staff members to the Planning Department, in order to allow better handling of zoning cases.

In addition, Ms. Brown also opposed the charge for the proposed budget and CIP documents and has presented a Resolution to that effect.

MERLE MODENE, University Hills Association, suggested that golfers "pay their own way" and that golfing fees be raised. Councilmember Snell commented that Hancock is taking a loss, but the others are paying their way. Councilmembers Mullen and Himmelblau agreed with Mr. Modene.

Regarding monies paid to the Chamber of Commerce, Mr. Modene commented that the money seems totally unnecessary, to which the Council replied that the City is required by State law to pay 1% of the bed tax.

Mr. Modene inquired as to whether the revenues from automobiles ten years and older, which will now be taxed, are included in this budget. Randy Turner replied that the amount of revenue is very small, but it is included in this budget. Mr. Turner also reported that those automobiles which are over ten years and have already been dropped from the rolls will not be put back on. Councilmember Goodman commented that the automobile tax is inequitable and that this is the last year that it will be imposed. Mr. Turner stated that Mr. Modene's comments carry some validity and that the whole tax policy is subject to review.

JEAN MATHER, of the South River citizens, spoke in behalf of the Twin Oaks Library which she would like to keep in the shopping center, rather than in the Multi-Purpose Center. She said that the two could not be equated, although she was not necessarily speaking against the Multi-Purpose Center. She suggested that perhaps some budgeted funds could be switched around. Councilmember Cooke said that there is an inequity amongst the City Libraries.

MORRIS HOLMAN, of Hyltin-Manor, spoke in behalf of tax payers needing funeral service and using City operated cemeteries.

DON CALLOWAY, a member of Ecology Action, requested that the Council give consideration to a proposal by Ecology Action which asks that \$20,000 be appropriated for a recycling study.

BETH BROWN, Director of Ecology Action, the community recycling group in Austin, requested that a recycling center be set up in the neighborhoods.

CLARA JOHNSON, speaking on the behalf of funeral homes on the east side of IH 35, protested such a large increase in cemetery fees.

GABE GUTIERREZ, citing the pay of the City Manager and Department Heads, which he believes they richly deserve, said that the City Council should receive a minimum pay of \$20,000 and the Mayor should receive perhaps even more.

EUGENIA SCHOCH reiterated Ms. Mitchell's earlier request regarding police protection for SUN.

ADJOURNMENT

Council adjourned its meeting at 8:00 P.M.

APPROVED


Mayor

ATTEST:


City Clerk